Association of the overseas countries and territories with the European Union ("Overseas Association Decision")

2012/0195(CNS) - 21/02/2017 - Follow-up document

Pursuant to Council Decision 2013/755/EU on the association of the overseas countries and territories (OCTs) with the European Union, the Commission presented a report on the implementation of the financial assistance provided to the Overseas Countries and Territories under the 11th European Development Fund.

Financial support to the OCTs is provided mainly through the European Development Fund (EDF), with an amount of **EUR 364.5 million allocated under the 11th EDF for the 2014-2020 programming period**.

In accordance with the criteria established in the overseas association Decision (OAD), **16 OCTs** are considered eligible for a territorial allocation under the 11th EDF.

Programming: the OAD establishes a programming process which is specific to OCTs, organised around a one-step process, the elaboration of a **Programming Document**. Only one formal Commission decision is taken to approve each OCT's Programming Document, covering both the strategic orientations as well as the detailed programme design. **Budget support** is the preferred implementation modality for territorial allocations in the OCTs.

Consultations: consultations between OCTs and the European Commission have taken place since the start of the programming exercise in view of an agreement on potential sectors of cooperation.

Two regional consultation meetings for Caribbean OCTs took place respectively in February and September 2016. Extensive consultations also took place among Pacific OCTs, which allowed to not only advance with the programming exercise but also to reflect on the possibility to make further progress on regional integration, and cooperation with the neighbour ACP countries.

At the political level, the 14th OCT-EU Forum of February 2016 addressed and allowed to reiterate the mutual commitment on important themes of common interest, such as climate change, and investment and growth opportunities for OCTs.

The report noted in particular the signing of a **Joint Declaration between the European Union and 22 Overseas Countries and Territories on reinforced cooperation in the field of sustainable energy**.

Situation in 2016: the proposed concentration sectors for the territorial allocations are markedly grouped around **key themes**, which broadly include:

- environmental issues, climate change, renewable energy and disaster risk reduction (5 of the 16 OCTs, representing 21% of the total 11th EDF indicative territorial allocations);

- social development (youth) or employment/professional inclusion and education/vocational training (5 out of 16 OCTs, representing 33% of 11th EDF indicative territorial allocations);

- sustainable tourism (3 out of 16 OCTs, representing 26% of 11th EDF indicative territorial allocations);

- connectivity and accessibility/digital development (3 out of 16 OCTs, representing 20% of 11th EDF indicative territorial allocations).

In the case of **regional programmes**, the relevant proposals for concentration sectors are the following: (i) Caribbean: sustainable energy and marine biodiversity; (ii) Pacific Ocean: environment and sustainable management of natural resources and (iii) Indian Ocean: observation, management, conservation of terrestrial and marine ecosystem.

For territorial allocations, budget support has been proposed as the implementation modality by most OCTs.

At the territorial level, 10 of 16 programmes have a consolidated strategy and have passed the identification phase, **whilst six programmes have successfully terminated the formulation phase**. Out of those six programmes, four Decisions were formally adopted: (i) for Saint Pierre and Miquelon (September 2016); (ii) for Saba, St. Eustatius and the Turks and Caicos Islands (December 2016).

Lastly, under the OCT Own Resources Envelope, the EIB concluded one loan agreement with **New Caledonia** in 2015, providing an investment loan of EUR 20 million for the construction of a new hospital to be the leading hospital for the whole territory.

The Commission considered it crucial for the OCTs to maintain this momentum throughout 2017. 2017 will also be an occasion to engage in deeper reflection on EU development cooperation with OCTs in light of the results of the outcomes of the 11th EDF performance assessment expected for beginning 2017.